

HORIZON

FY22 FULL YEAR RESULTS



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- ▶ Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Horizon Oil Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.
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- ▶ In this presentation, references are made to EBITDAX, Underlying Profit and Free Cashflow, which are financial measures which are not prescribed by Australian Accounting Standards:
- ▶ EBITDAX represents the profit adjusted for interest expense, taxation expense, depreciation, amortisation, and exploration expenditure (including non-cash impairments),
- ▶ Underlying profit represents the profit under Australian Accounting Standards adjusted for unrealised non-cash financing costs associated with the revaluation of the options issued under the 2016 subordinated loan facility, gains on the remeasurement of derivative financial instruments and the profit/loss generated from discontinued operations, and
- ▶ Free Cash Flow represents Cashflow from Operating Activities less Investing cashflows.
- ▶ All references to dollars in the presentation are United States dollars unless otherwise noted.

Reserves Disclosure

- ▶ Unless otherwise stated, all petroleum reserves and resource estimates refer to those estimates as set out in Horizon's 2022 Reserves and Resources Statement contained in the 2022 Annual Report. Horizon is not aware of any new information or data that materially affects the information included in this presentation. All the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.
- ▶ For the purposes of this presentation, 6 bcf of raw gas equals 1 mmmboe.
- ▶ The estimates of petroleum reserves and resources contained in this statement are based on, and fairly represent, information and supporting documentation prepared by staff and independent consultants under the supervision of Mr Gavin Douglas, the Chief Operating Officer of Horizon Oil Limited. Mr Douglas is a full-time employee of Horizon Oil Limited and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers. Mr Douglas' qualifications include a Master of Reservoir Evaluation and Management from Heriot Watt University, UK and more than 25 years of relevant experience. Mr Douglas consents to the use of the petroleum reserves and resources estimates in the form and context in which it appears.
- ▶ This presentation should be read in conjunction with Horizon's 2022 Reserves and Resources Statement, the Annual Financial Report for the year ended 30 June 2022 and ASX Announcements.

FY22 INVESTMENT HIGHLIGHTS



Underlying profit
after tax

US\$24.3 million

Total distributions
to Shareholders¹

AUD 3 cents per share
[~US\$34 million]

Sales revenue

US\$108.1 million

Net cash

US\$42.8 million

Sales volume

1.205 MMbbl

EBITDAX

US\$73.0 million

¹Includes an unfranked CFI dividend of AUD 1.65 cents per share, and an AUD 1.35 cent per share proposed return of capital (subject to shareholder approval)



MAXIMISE FREE CASHFLOW¹

- ▶ Generated EBITDAX of US\$73 million, with net cash of US\$42.8 million
- ▶ WZ12-8E field commencement, infill wells, production efficiencies, infrastructure-led exploration
- ▶ Continued strong cost control



FURTHER DISTRIBUTIONS TO SHAREHOLDERS

- ▶ AUD\$49.4 million distributed in CY2021
- ▶ Announced a further AUD 3c distribution (AUD\$47.4 million)
- ▶ Potential for further capital management initiatives under constant review



CONTINUE INVESTING IN PRODUCTION GROWTH

- ▶ WZ12-8E field – commencement of project delivering 0.6 MMbbl reserves
- ▶ WZ6-12 workover and drilling programme recently commenced
- ▶ Focused on bringing into production our pipeline of contingent and prospective resources
- ▶ Keeping an eye out for exceptional new business opportunities

¹Free Cash Flow represents cash flows from operating activities less investing cash flows.

FY22 HIGHLIGHTS



FINANCIAL



- ▶ Sales revenue of US\$108.1 million
- ▶ EBITDAX of US\$73 million
- ▶ Underlying Profit after Tax of US\$24.3 million
- ▶ Net cash at 30 June 2022 of US\$42.8 million after settling AUD 3 cent per share capital return totaling ~US\$35 million
- ▶ Executed US\$20 million extension to senior debt facility shortly after year end

OPERATIONAL



- ▶ WZ12-8E project - oil from six wells started in Q2 CY2022, 18 months after FID
- ▶ Infill wells in Block 22/12 in '21 added 2,200 bopd (gross initial rate), more being planned for '22/'23
- ▶ Workovers optimise production across both projects
- ▶ High emphasis on asset integrity management across both projects

SHAREHOLDER RETURN



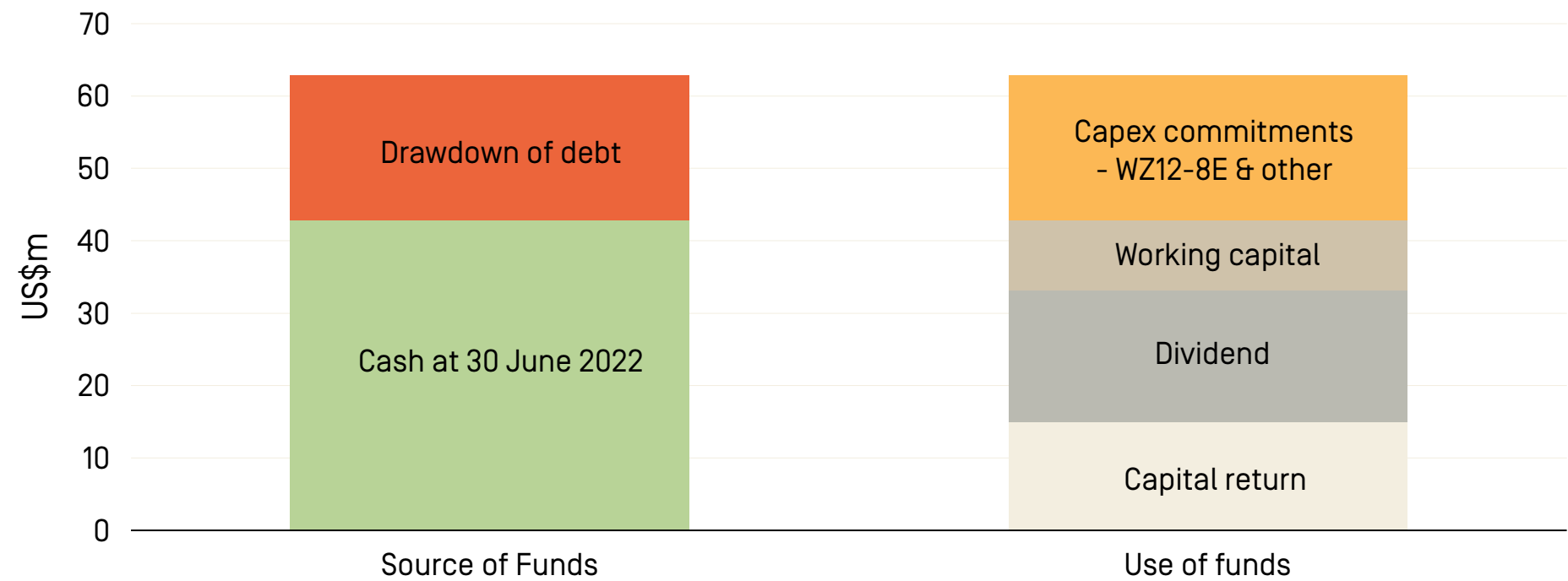
- ▶ AUD 3 cent per share capital return completed during first half
- ▶ Announced further distributions totaling AUD 3 cents per share comprised of:
 - AUD 1.65 cent per share unfranked CFI dividend
 - AUD 1.35 cent per share capital return

ESG



- ▶ Strong safety record below industry benchmarks
- ▶ Zero tolerance policy on bribery and other forms of corruption
- ▶ Strive to make a positive impact in the communities where we operate
- ▶ Declared ambition to reach Net Zero Emissions by 2050, using TCFD recommendations to guide disclosures

BALANCING GROWTH & SHAREHOLDER DISTRIBUTIONS

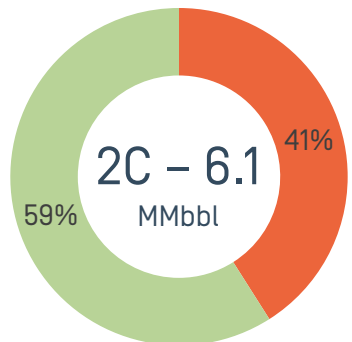
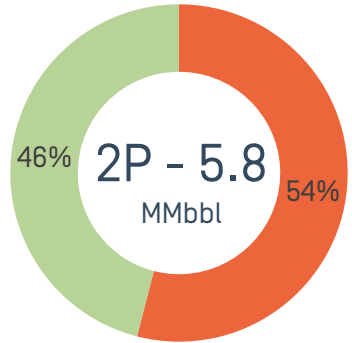


Announced distributions represents >70% of FY22 Free Cash Flow¹

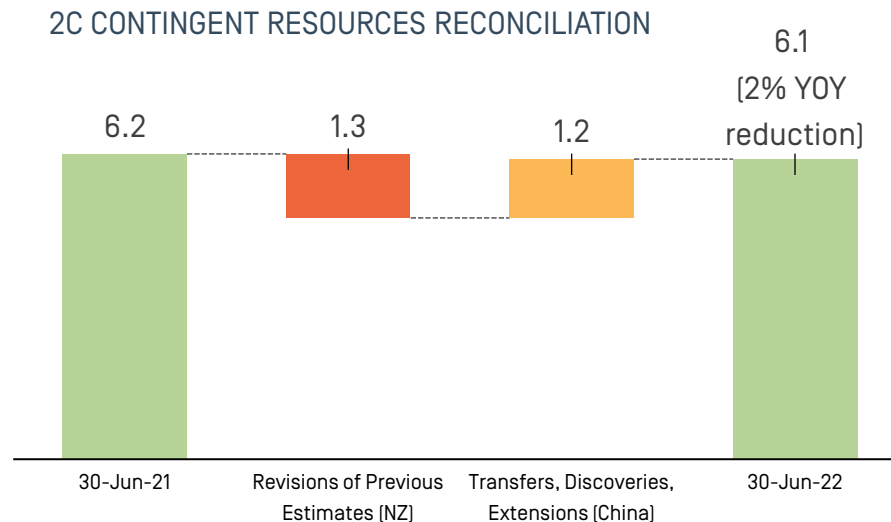
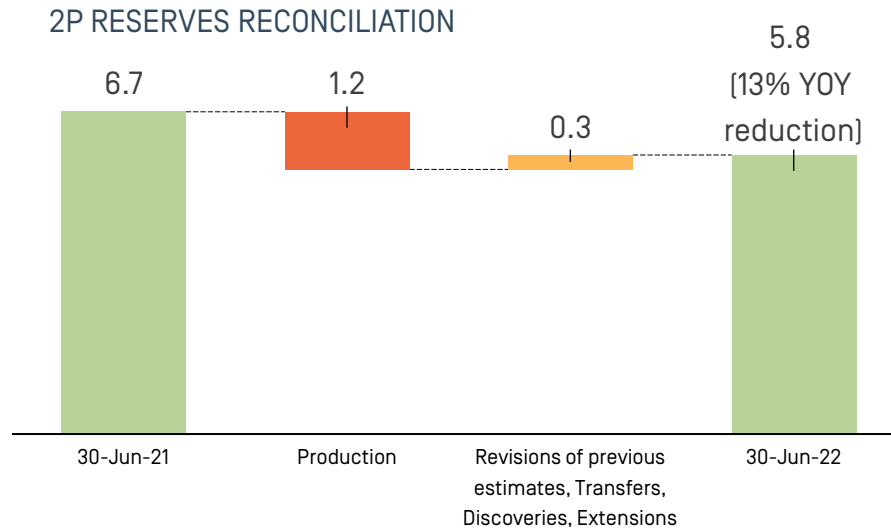
Liquidity retained to meet capital commitments and working capital requirements

¹Free Cash Flow represents cash flows from operating activities less investing cash flows (net of acquisition payments).

RESERVES & RESOURCES¹



China New Zealand



- ▶ ~30% 2P reserves replacement
- ▶ ~50% increase in Block 22/12 Contingent Resources, reflecting an expanded portfolio of short to medium term opportunities
- ▶ China 2C increase of 1.2 MMbbl largely offsets the Maari 2C reduction of 1.3 MMbbl, which reflects a revision to the cut-off date for contingent resource production from December 2037 to December 2032.
- ▶ Maiden formal assessment of Prospective Resources [2U] in Horizon's China permits, with nine independent opportunities identified comprising unrisked volumes of 5.9 MMbbl Horizon net.

¹ Refer to Horizon 2022 Reserves and Resources Statement for full details

HORIZON

FY22 FINANCIAL RESULTS



FY22 FINANCIAL & COMMERCIAL HIGHLIGHTS



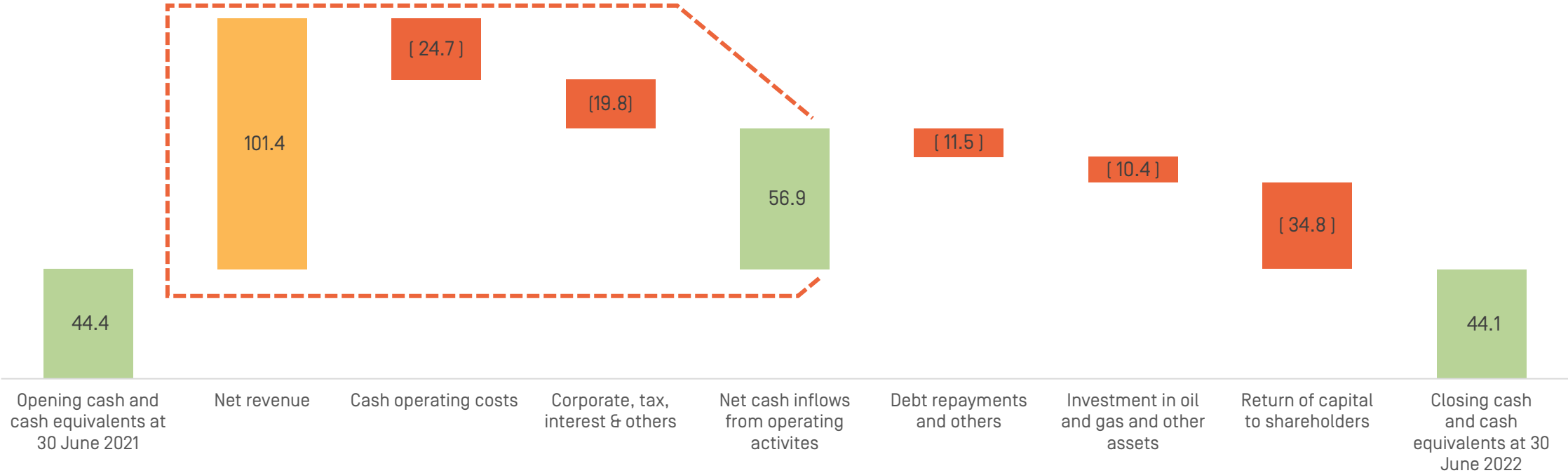
- ▶ **Robust production & sales volumes** – 1.3 million bbls produced and 1.2 million bbls sold in FY22
- ▶ **Revenue growth** – Revenue increased 70% during FY22 to US\$108 million driven by higher realised oil prices
- ▶ **Efficient operations** – Maintenance of low cash operating costs <US\$20/bbl produced during FY22
- ▶ **Strong resultant cashflow** – Cashflow from operating activities increased 146% during FY22 to US\$56.9 million
- ▶ **Balance sheet strength** – Net cash of US\$42.8 million at 30 June 2022 despite ~US\$35 million returned to shareholders in August 2021

	FY 2022	FY 2021
Production Volumes (MMbbl)	1.33	1.33
Sales Volumes (MMbbl)	1.21	1.27
Revenue (USD)	\$108.1 million	\$63.6 million
EBITDAX (USD)	\$73.0 million	\$36.4 million
Underlying Profit after tax (USD)	\$24.3 million	\$7.8 million
Statutory Profit after tax (USD)	\$24.3 million	\$8.0 million
Net Cash (USD) at 30 June	\$42.8 million	\$31.7 million
Cash (USD) at 30 June	\$44.1 million	\$44.4 million

STRONG CASHFLOW REBUILDS CASH POSITION FOLLOWING CAPITAL RETURN



US\$ MILLION



STRONG OPERATING CASHFLOW supported by higher oil prices

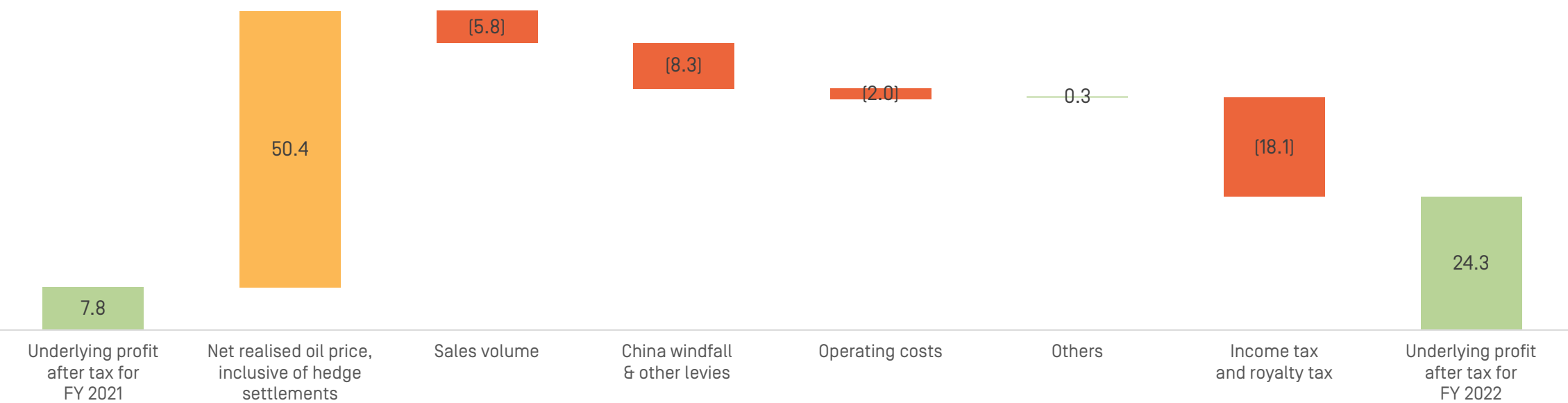
DISCIPLINED SPENDING investment in our low-cost producing Block 22/12 asset, with minimal Capex on Maari

RETURN TO SHAREHOLDERS AUD 3 cents per share Capital Return paid in August 2021 with a further AUD 3 cents per share in distributions announced

REVENUE GROWTH WITH SUSTAINED LOW-COST PRODUCTION DRIVES INCREASED PROFITABILITY



US\$ MILLION



REVENUE

Increased revenue driven by ~80% higher realized oil price over the period

SALES VOLUME

Sales volume impacted by timing of Maari liftings

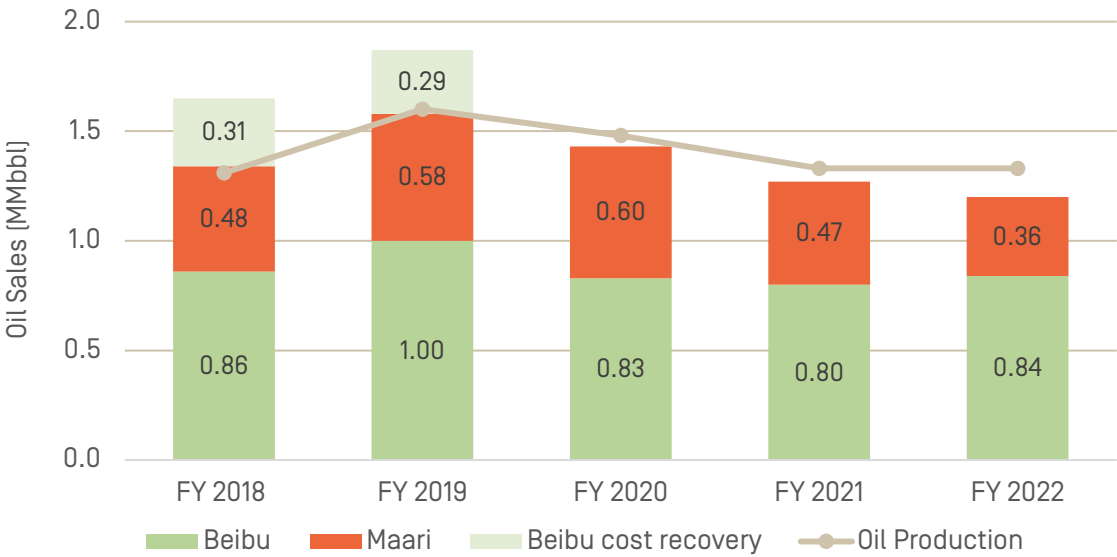
TAXES & ROYALTIES

Increased taxes and royalties driven by higher oil price, increased revenue and profitability

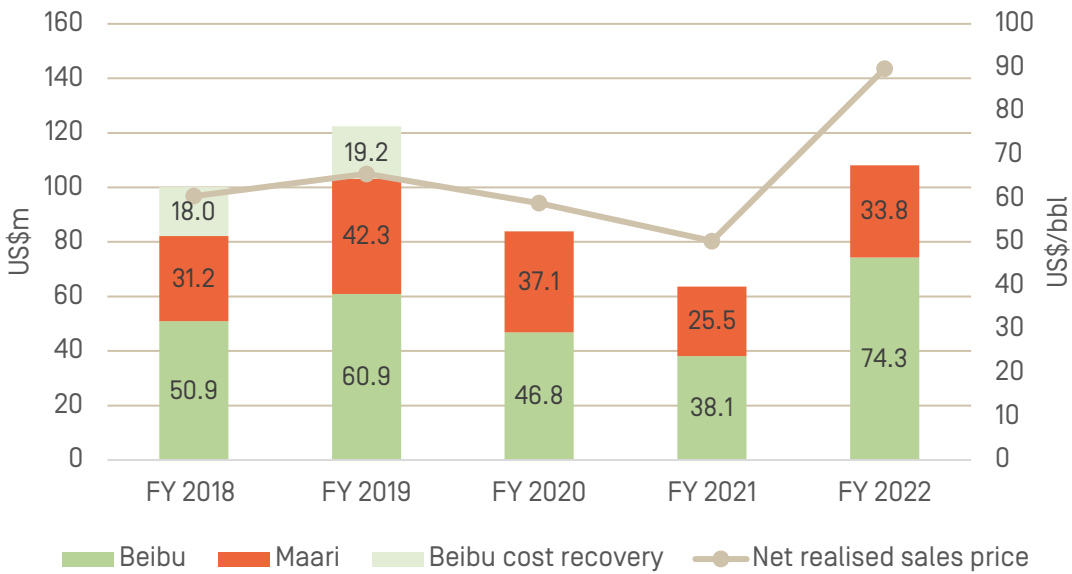
SUSTAINED PRODUCTION WITH REVENUE GROWTH



OIL SALES



REVENUE¹



Oil production sustained following WZ12-8E development production commencement

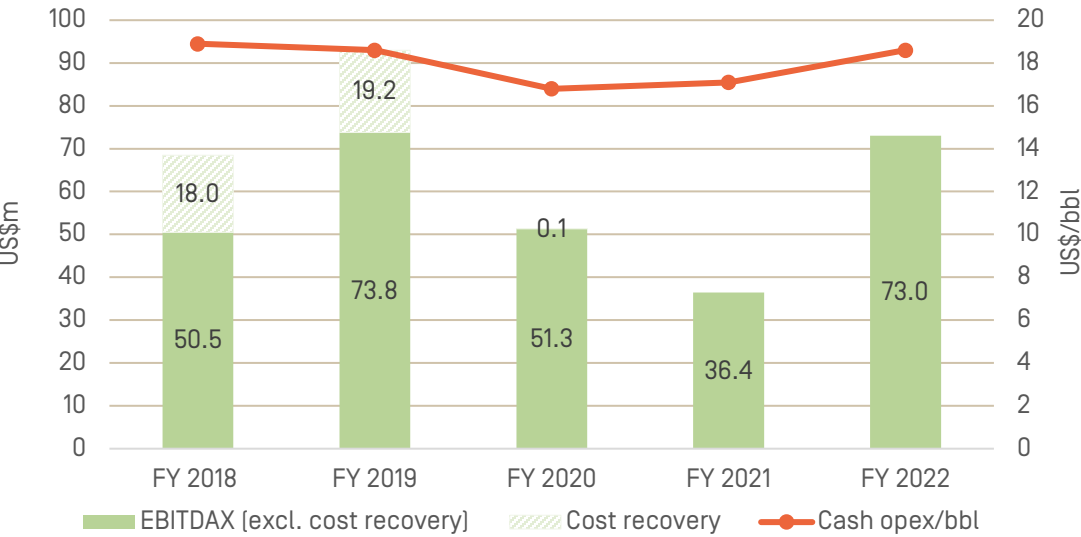
Sales revenue 70% higher compared to FY21

¹ inclusive of hedge settlements.

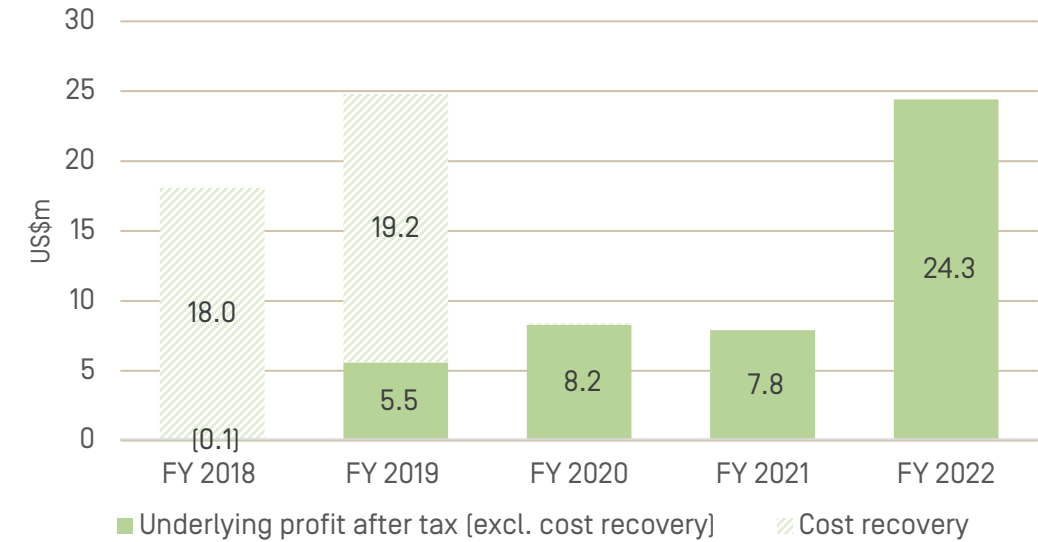
REVENUE GROWTH WITH SUSTAINED LOW-COST PRODUCTION DRIVES INCREASED PROFITABILITY



EBITDAX¹ AND COST PER BBL



UNDERLYING PROFIT AFTER TAX¹



101% increase in EBITDAX

Cash operating costs sustained below US\$20/bbl produced

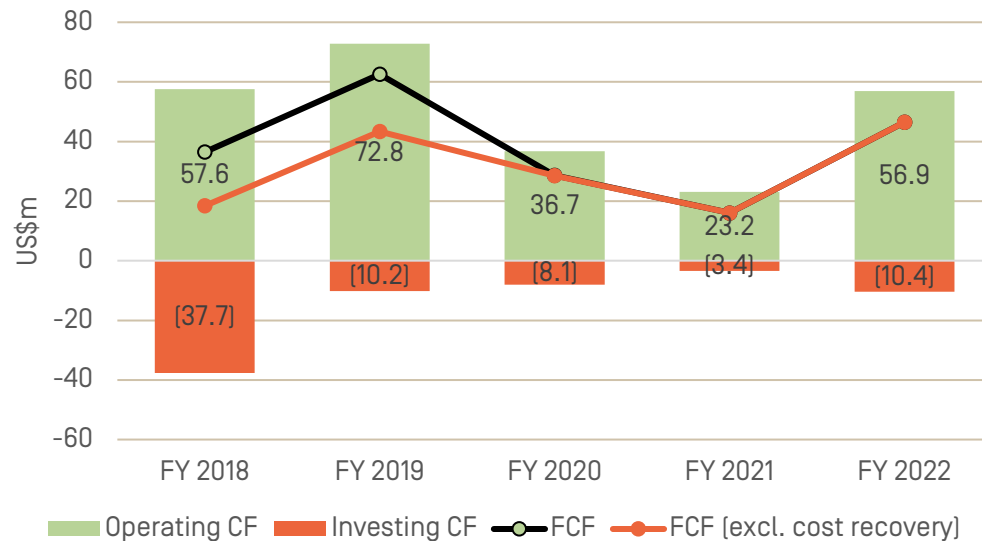
Underlying profit after tax increased by \$16.5m over the financial year

¹ FY 20 and 21 excludes profit/loss from discontinued operations.

POSITIVE FREE CASHFLOW & INCREASED NET CASH POSITION



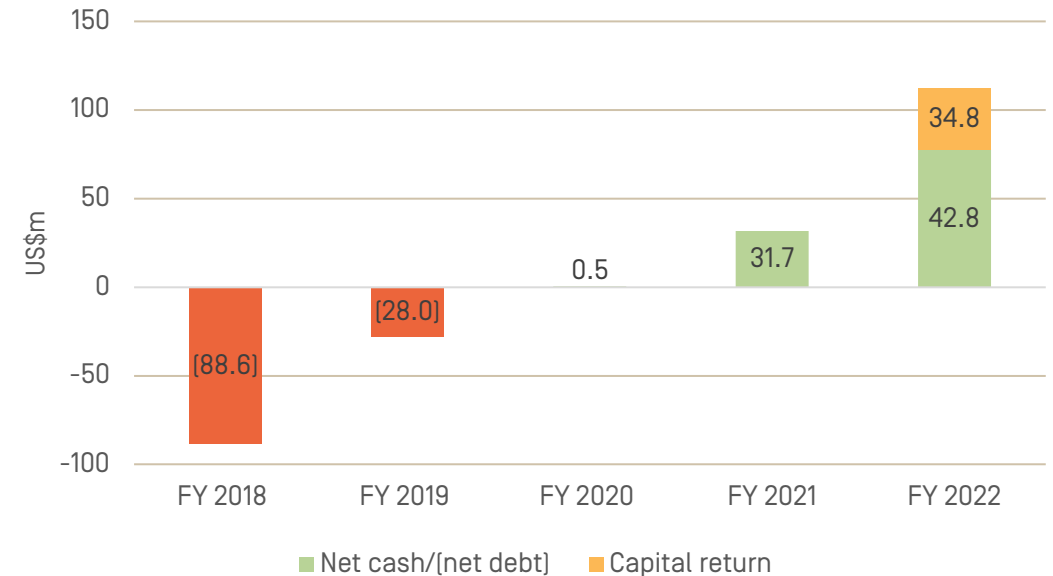
FREE CASH FLOW¹



¹Free Cash Flow represents cash flows from operating activities less investing cash flows [net of acquisition payments]

Positive free cash flow with disciplined investment in exploration and development activities

NET CASH/[NET DEBT]



Net cash of \$42.8m at 30 June 2022, an increase of \$11.1m over the prior financial year despite capital return of ~\$35m in August 2021



OUTLOOK & ASSET UPDATES



BLOCK 22/12: RELIABLE, HIGH MARGIN PRODUCTION

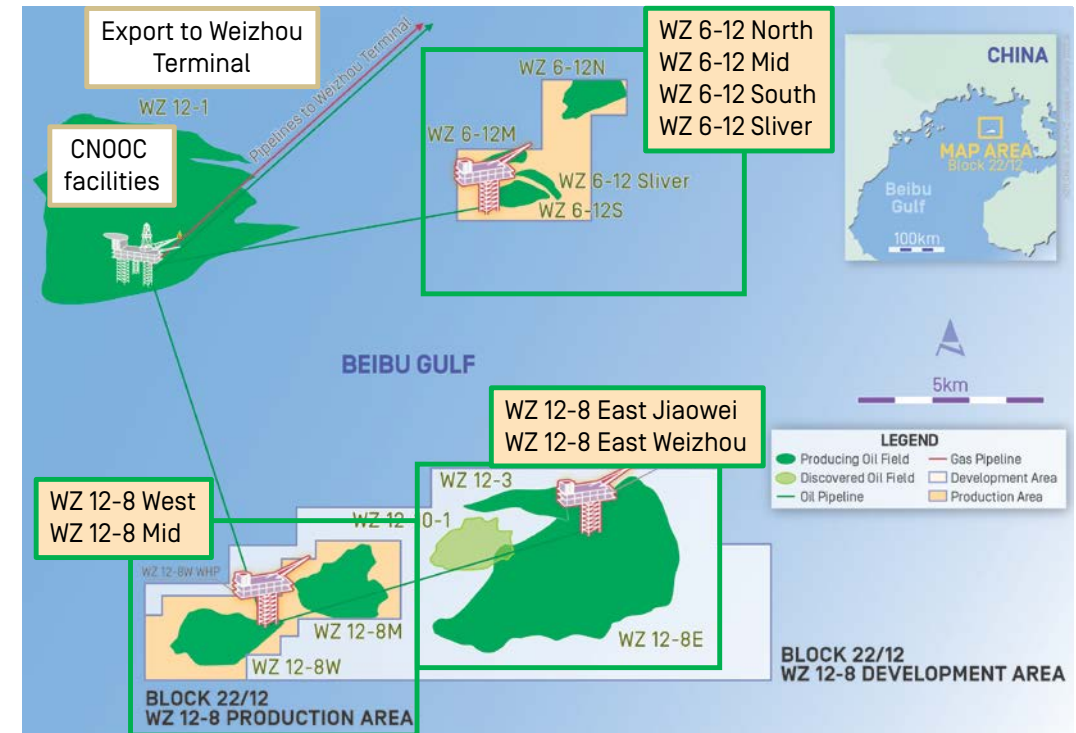


ASSET OVERVIEW

- ▶ Block 22/12, Beibu Gulf, China, 26.95% production / 55% exploration
- ▶ JV: CNOOC (51% - Operator), Roc Oil (19.6%), Majuko Corp. (2.45%)
- ▶ Block 22/12 continues to generate approximately 70% of Horizon operating cashflow
- ▶ Low cash operating costs – approximately \$13/bbl produced over FY2022
- ▶ WZ6-12 and WZ12-8W field abandonment costs prepaid into a sinking fund

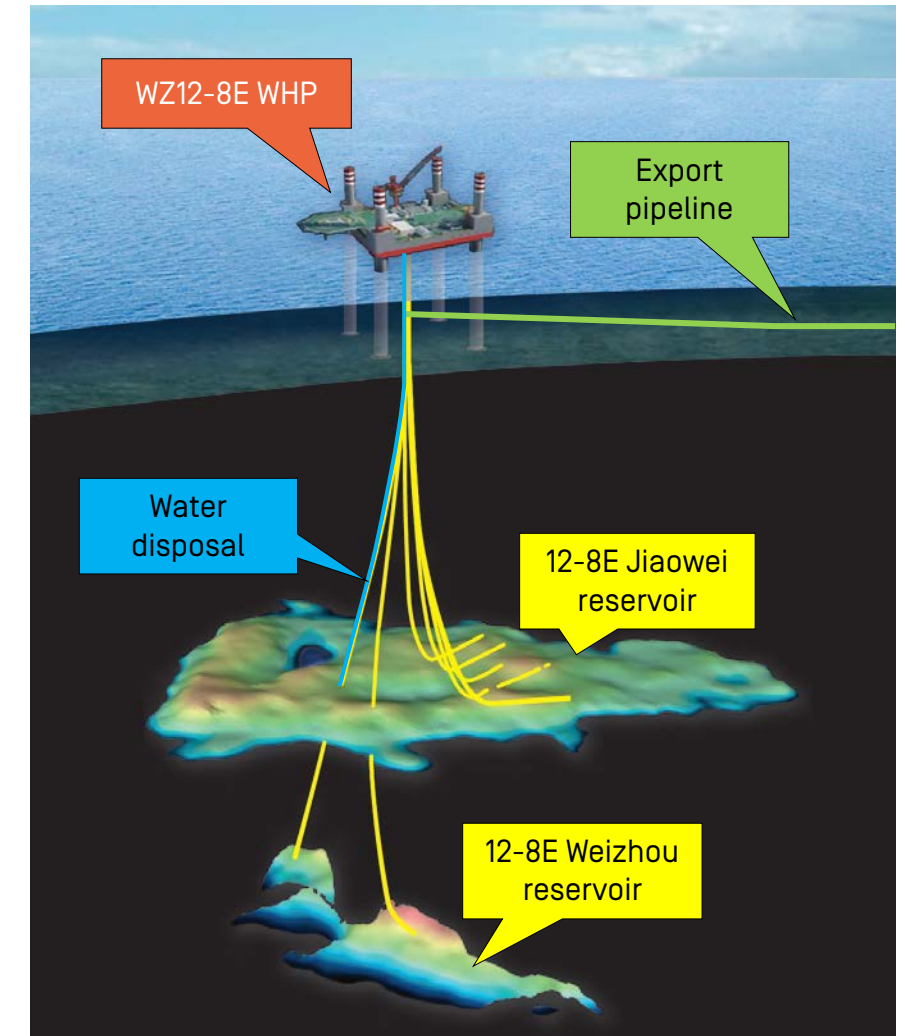
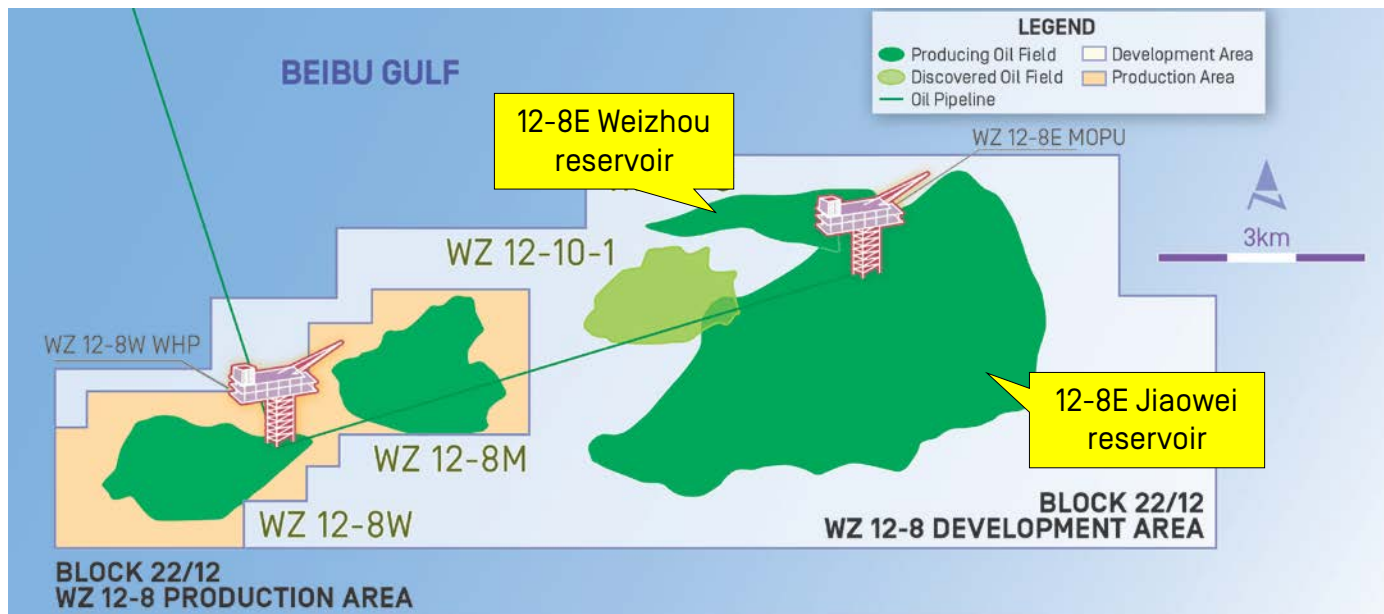
HIGHLIGHTS

- ▶ Production averaged 15,808 bopd gross [Horizon net 4,260 bopd] since the WZ12-8E project resumed production on 24 July, from 25 wells across 8 discrete fields
- ▶ Production from new WZ12-8E field development commenced early April '22
- ▶ Production rates are maintained through a combination of near-field drilling, increased water handling and production optimisation via well workovers and continually improving operating practices
- ▶ JV is continuously identifying and evaluating infill well and infrastructure led near-field exploration opportunities which will support current production in the longer term



BLOCK 22/12: WZ12-8E DEVELOPMENT PROJECT

- ▶ Project commissioned and brought on to production in April 2022
- ▶ 6 development wells and 1 water disposal well successfully drilled and completed
- ▶ Oil production forecast to average ~4,000bopd [gross] in the first year of production
- ▶ Field has contributed over 9,000 bopd gross since 24 July
- ▶ HZN net 2P reserves estimate 0.6 MMbbl [gross ~2.3 MMbbl]
- ▶ Success in this first phase may support further phases of development
- ▶ Platform within tie-back distance of attractive appraisal and exploration targets

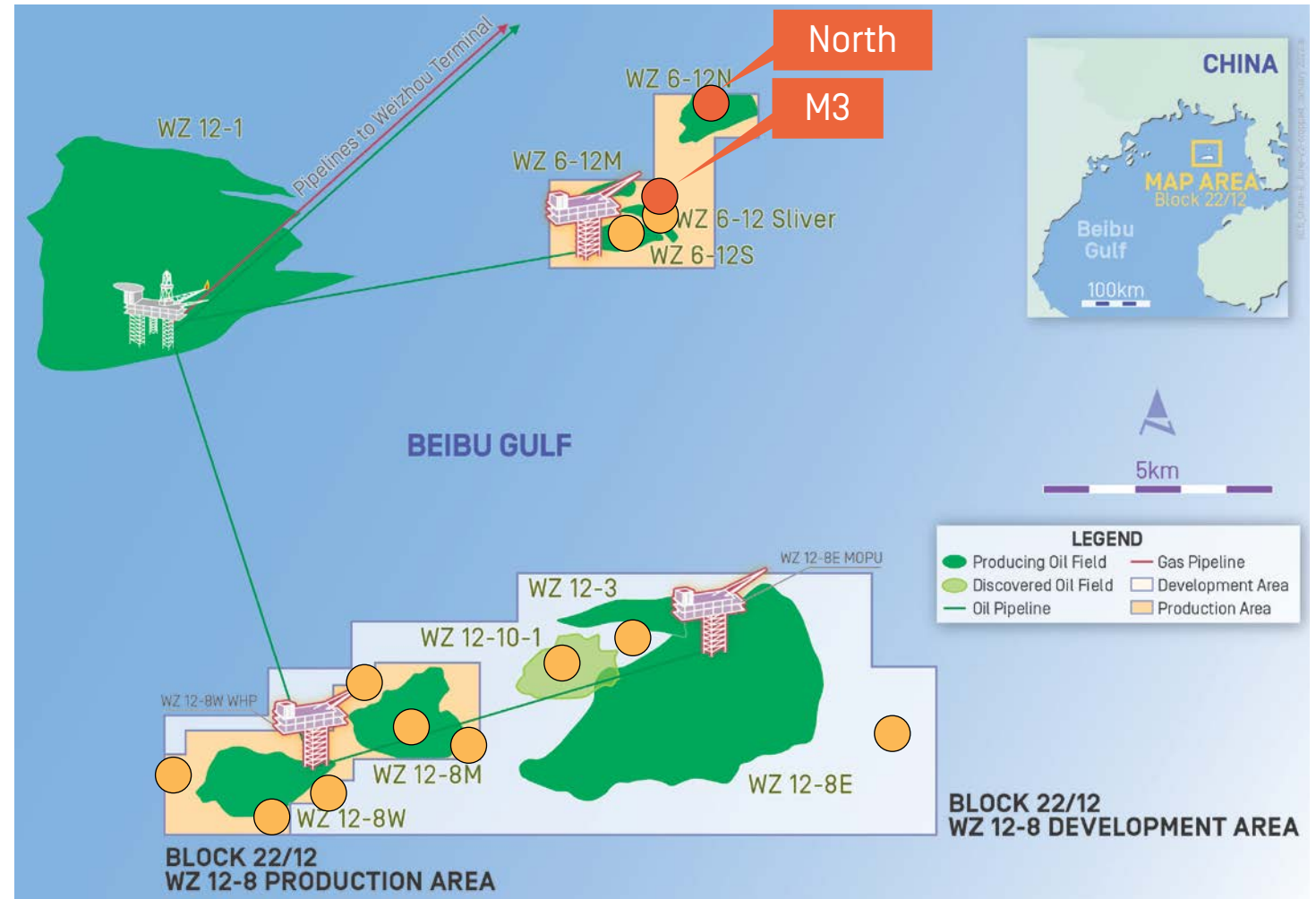


BLOCK 22/12: INFILL, APPRAISAL & EXPLORATION OPPORTUNITIES

- ▶ The JV has a strong portfolio of 2P, 2C and 2U infill, appraisal and infrastructure led near-field exploration opportunities, two of which are proposed for drilling by CYE 2022¹
- ▶ Success in these opportunities will help to extend plateau production into the longer term
- ▶ a five well workover program designed to reinstate / enhance production from existing WZ6-12 wells

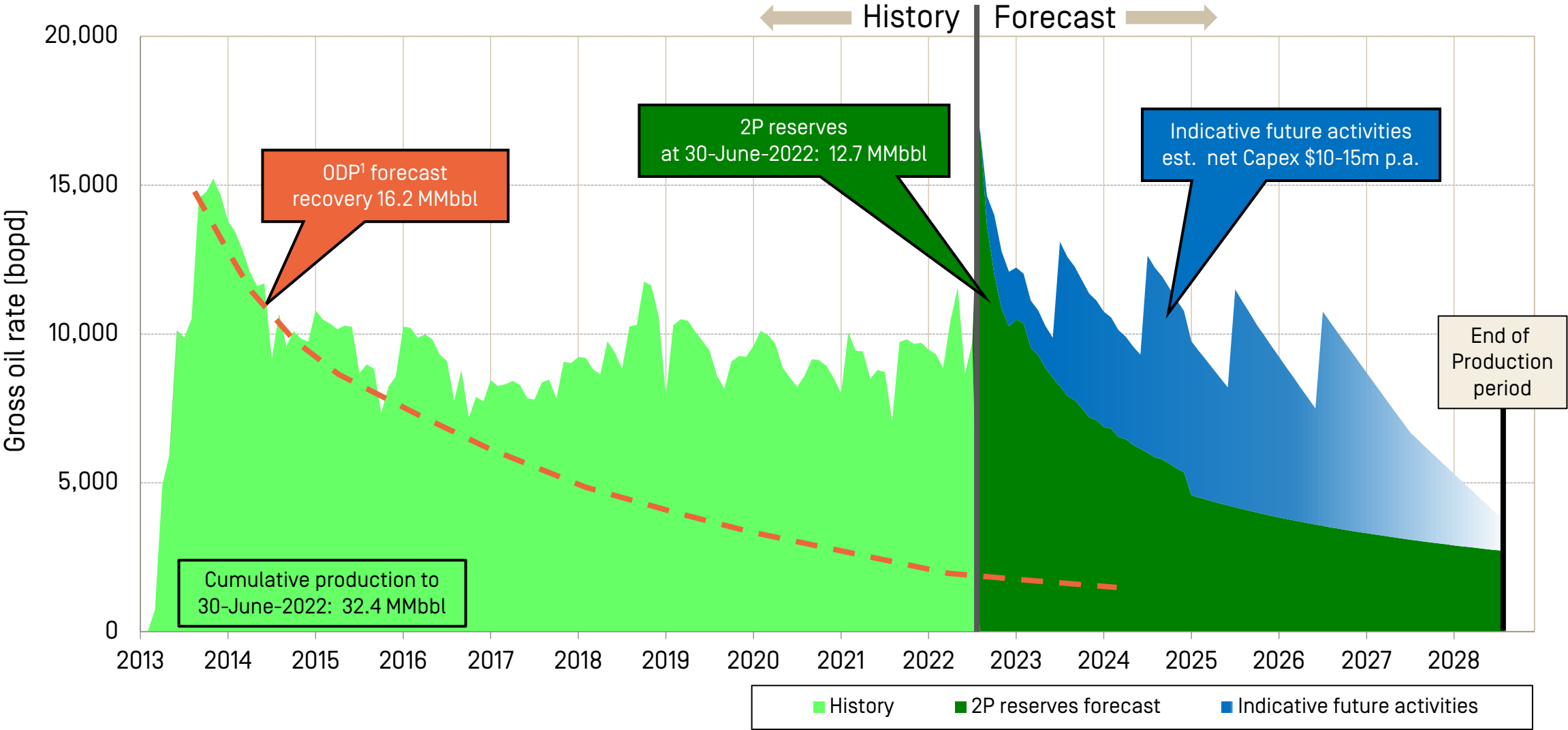
● 2022 proposed drilling¹

● Possible future drilling



¹ North subject to JV approval

BLOCK 22/12: HISTORY & INDICATIVE FORECAST [GROSS]



¹ODP = Overall Development Plan
Forecasts remain subject to JV and regulatory approvals
All data on this slide (production and recovery) is gross unless otherwise stated

MAARI: STABLE PERFORMANCE

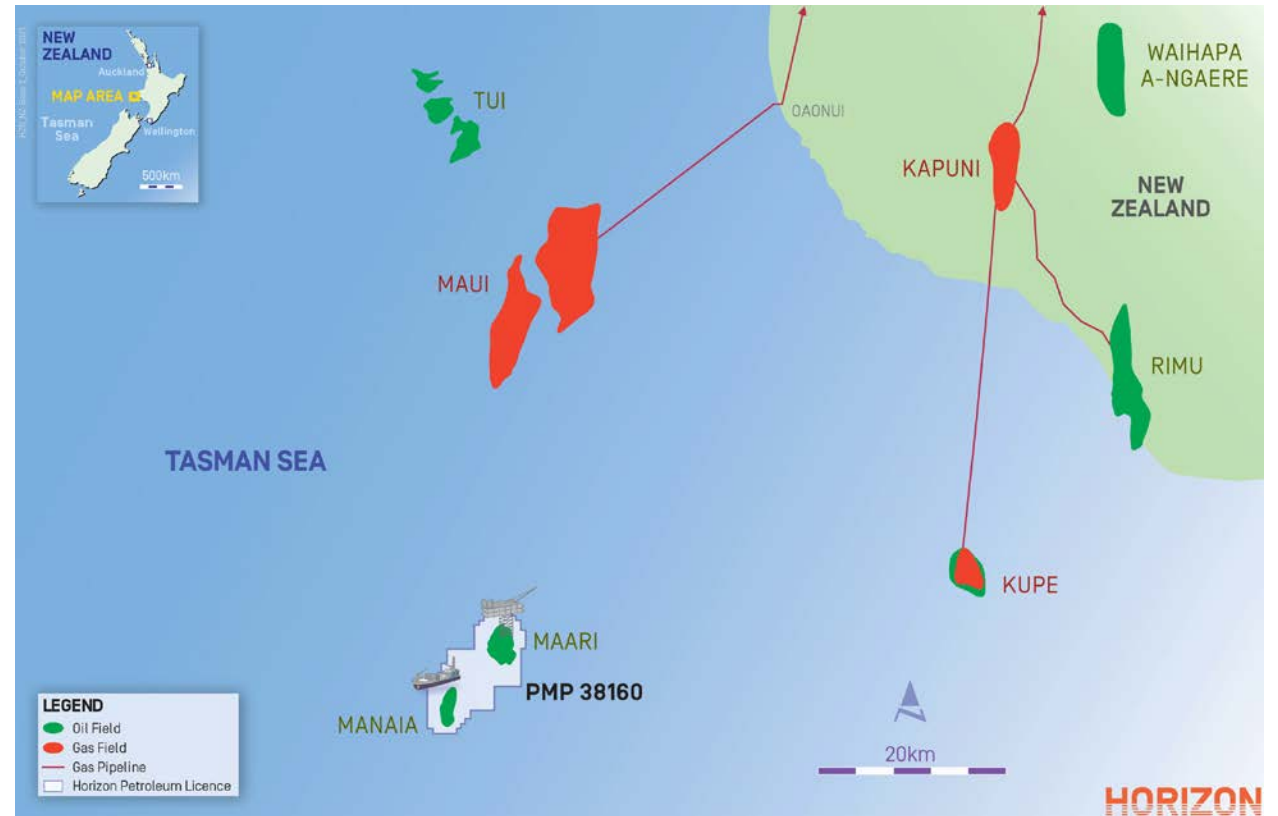


ASSET OVERVIEW

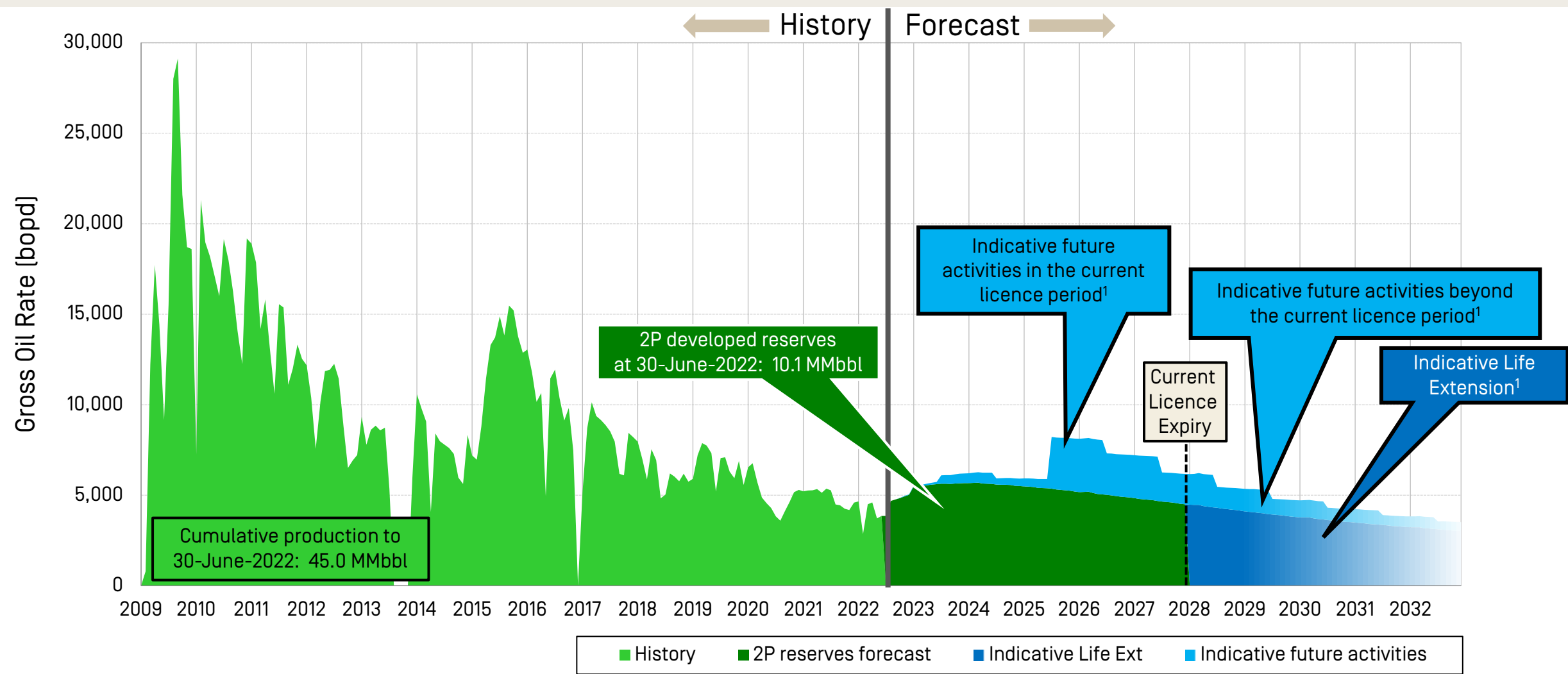
- ▶ Maari, New Zealand, 26%
- ▶ JV: OMV [69% - Operator], Cue Energy [5%]
- ▶ Maari/Manaia generates approximately 30% of Horizon operating cashflow
- ▶ Cash operating costs for FY2022 of \$28/bbl produced
- ▶ CY2022 production impacted by COVID led deferrals of workovers – wells expected to be back online shortly
- ▶ Production license and 2P reserves forecast to end of 2027
- ▶ Decommissioning studies and funding planning initiated

HIGHLIGHTS

- ▶ Strong premiums received on Maari crude from deliveries into East Coast Australia oil market, reflective of increased regional oil demand.
- ▶ Whilst the long-awaited operatorship transition continues to await regulatory approval, we have been impressed by OMV's continued focus on costs and conducting safe operations.

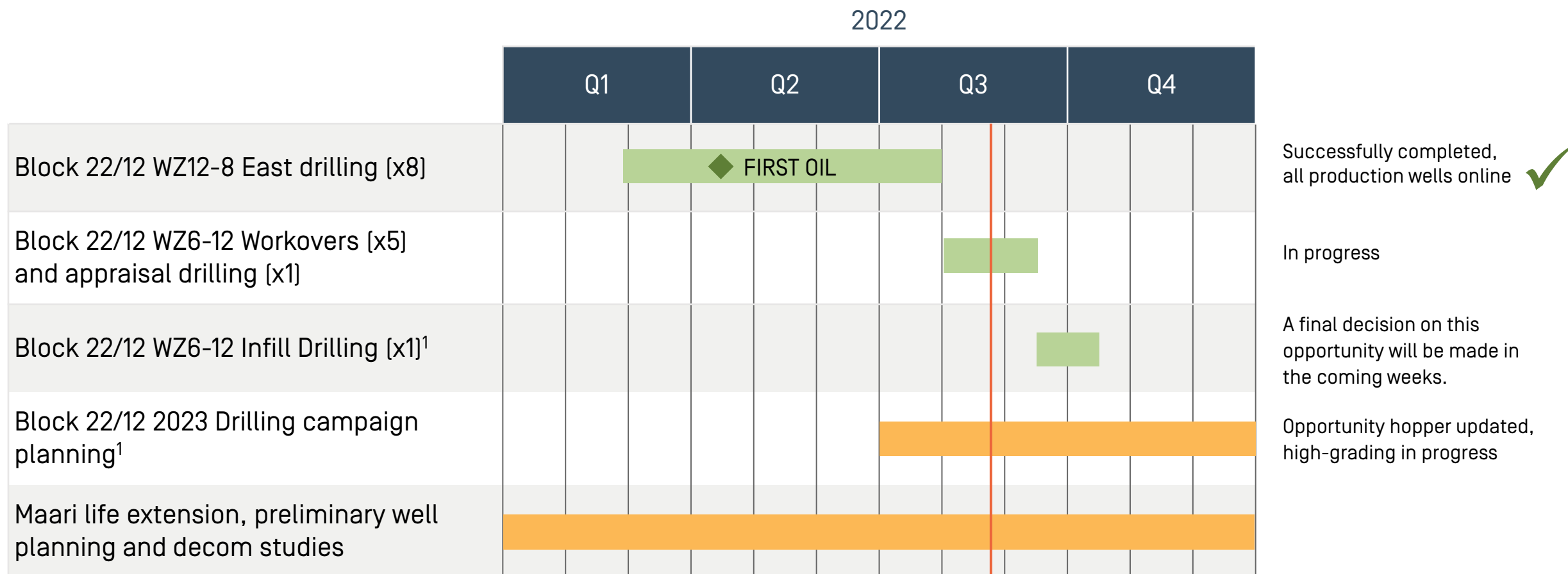


MAARI: HISTORY & INDICATIVE FORECAST [GROSS]



¹ Likely requires permit extension to be commercially viable
Forecasts remain subject to JV and regulatory approvals
All data on this slide [production and recovery] is gross unless otherwise stated

2022 OPERATIONS ACTIVITY



¹indicative only and remain subject to JV and regulatory approvals, and rig availability

INVESTMENT HIGHLIGHTS



Material positions in excellent producing assets

- 26.95% Block 22/12, Beibu Gulf, China
- 26% Maari Project, New Zealand
- Current Horizon net production rate of ~5,000 bopd
- JV's - IOC's with decades of relevant in-country experience

Right sized organization

- Focused active management approach and a small, high calibre, hands-on team

Strong cashflows

- Existing cash and future cashflows support ongoing workover and drilling programs
- Low cost

Focused on shareholder returns

- A\$47.4 million distributed during FY22, with a further A\$47.4 million in distributions announced
- Potential for further capital management initiatives under constant review

Exploitation of our significant opportunity hopper

- WZ12-8E commencement, infill wells, production efficiencies, infrastructure-led exploration
- Material 2C and 2U resource base supports low cost, high value multi-year activity

Invest in new business if exceptional

- Strong investment metrics, low risk, ability to add scale and portfolio resilience
- Focus - projects (primarily organic) which enhance capital management initiatives



CONTACTS

RICHARD BEAMENT, CEO
+61 2 9332 5000

info@horizonoil.com.au

Horizon Oil Limited
Level 4, 360 Kent Street
Sydney NSW 2000 Australia
horizonoil.com.au

